

Utility Green Pricing Partnerships

A New Model for Building Green Pricing Programs

October 4, 2004
9th National Green Power Marketing Conference

Dan Kalafatas
Director, Utility Partnership/Green Certificate Division
San Francisco, CA

Who Is 3 Phases Energy?

Our Vision: 3 Phases' vision is to create or stimulate the creation of 100% renewable energy in our lifetimes **Our Operations:** Offices in Los Angeles, San Francisco, and Portland OR 28 generation facilities in 13 states, including over 1 MW of solar 20,000 customers in 23 states

Who Is 3 Phases Energy?



UTILITY PARTNERSHIPS

Utility Green
Power Program
Design and
Management

GREEN DIRECT

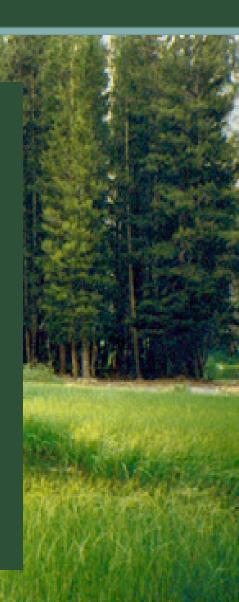
Direct Access 100% Renewable Retail Electricity Sales

GREEN CERTIFICATES

Retail and Wholesale Sales of Green Certificates

GREEN ONSITE

Onsite Renewable Generation and Efficiency Programs



3 Phases' Utility Green Pricing **Partnerships**







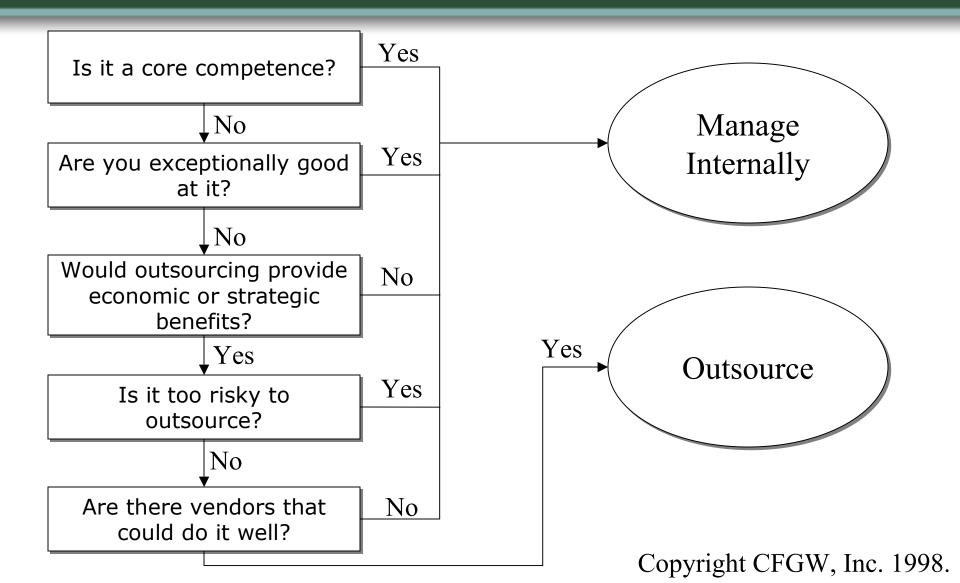


- #4 ranked program (MWhs), 5th (customers)
- Strong enrollments positioning program to increase rankings in future
- Procurement commitments bringing new cow power, solar, small wind projects online
- #1 ranking in US, by participation, among utilities serving > 550 meters
- 10% participation in 16 months
- Corporate and Fortune 100 participation

- Launch set for October 15th
- Anticipate will rank well nationally

CFGW *Guide to Outsourcing*Outsourcing Decision Tree





What Partnerships Are Out There?



Be Proud of Your Power







A National Grid Company



A National Grid Company



CITY OF PALO ALTO UTILITIES







A National Grid Company







PECC

An Exelon Company



A National Grid Company





















What Does *Turnkey* Really Mean?



- Green Power Program Structuring Expertise
 - How much wind? What should the options be? At what price?
- Green Power Marketing Expertise
 - What months are best for direct mailings? What attracts customers to a booth at an event? What are the most effective bill insert designs?
- Staffing, Specialists, and Execution
 - Event, creative, marketing, corporate sales, procurement, public relations specialists
- Renewable Resource
 - Procurement of certificates and power; development of new utility-scale and distributed generation resources (solar, small wind, cow power)
- Risk Mitigation Services
 - What will happen to the program if prices rise?
 - Will we be able to forecast and meet the unpredictable/high resource needs of the program?

What **Evidence** Exists That They Are Successful?



Partnership-Based Green Pricing Programs Successfully Build Enrollments



City of Palo Alto Utilities: 3,000 customers / 1st in nation (%)

among utilities serving > 550 meters



Florida Power & Light: 6,000 customers after six months



NIMO: 8,800 customers over first two year



NYSEG: 5,000 after six months



PacifiCorp's Blue Sky Program: 30,000 customers / 4th in nation (MWhs)



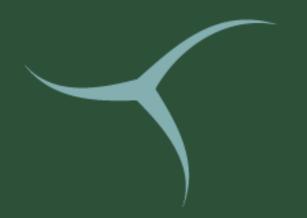
Portland General Electric: 30,000 customers / 2nd in nation (MWhs)

Sources: NREL Top Ten, Green Power Network Press Releases.

Why **Utility Partnerships Work?**



- Best of Both Worlds
 - Green power marketers bring expertise, specialists, execution experience, best practices, and focus.
 - Utilities bring a brand, relationships with customers, channels to communicate with those customers
- Pay for Performance
 - Green power marketers' entire franchise depends on making programs successful, creating a powerful incentive to perform.
 - Not the case with utilities.
- Shared investment and Risk Mitigation
 - Reduces the risk and dollars at stake for any single party, compared to going it alone



3 P H A S E S ENERGY SERVICES

Be Proud of Your Power

Dan Kalafatas

Director, Utility Partnership/Green Certificate Division 3 Phases Energy Presidio of San Francisco 1004 O'Reilly Street, Suite 300A San Francisco, CA 94129 dkalafatas@3phases.com tel 415.561.6488